GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:435
ANSWERED ON:19.12.2000
PRICES OF MEDICINES
JAYASHREE BANERJEE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a): the money proposed to be spent on research on medicines in the coming years;

(b): whether efforts are being made by the Government to provide medicines at cheaper reasonable rates and exercise control over the chemists to check them from making undue profits; and

(c): the efforts being made to make medicines of international standard available at cheaper reasonable rates?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.435 FOR ANSWER ON 19.12.2000.

(a) Resources for research and development of medicines are largely incurred by private sector companies themselves. Companies are free to avail of benefits of research available in government laboratories etc. or work collaboratively on projects with them. Year wise data of the amount spent on research on medicines in the country is not maintained by Government. The Pharmaceutical Research & Development Committee(PRDC), constituted by the Government under the Chairmanship of Dr.R.A.Mashelkar, Director General, CSIR with a view to recommendingmeasures to strengthen the Research & Development capability of the Pharmaceutical Industry in the country and to identifying the support required by Indian Pharmaceutical companies to undertake domestic R&D, in its report submitted to the Government, has, interalia, recommended the establishment of Pharmaceutical Research and Development Support Fund (PRDSF) to promote research in the pharmaceutical industry in the country.

(b) & (c): The current Drug Policy is directed towards trying to ensureavailability of quality drugs at reasonable prices. Prices of 74 bulk drugs listed in the First Schedule of Drugs (Prices Control) Order, 1995 and theformulations thereof are fixed/revised under provisions of this Order. Trade margin to retailers on scheduled formulations is prescribed as 16% of Maximum Retail Price (MRP) exclusive of excise duty. If there is any overcharging, action is taken against the defaulter under para 13 of DPCO`95 to recover the overcharged amount. As per para 14(4) and para 15(3) of DPCO`95, every retailer and dealer is also required to display the price list. DPCO`95 does not prescribe any trade margins in respect ofnon-scheduled formulations. Enforcement of quality and standards in medicines is done through the provisions of the Drugs and Cosmetics Act, administered by the Ministry of Health and Family Welfare.